

Budget squeeze?

Performance contracting provides solutions, gains momentum in Colorado

“While funds for capital construction grow scarce, **performance contracting offers a huge, untapped source of funds.** Millions of dollars otherwise paid to utility companies over the next decade can, instead, be invested in energy-saving improvements,” says Linda Smith, Sr. Program Manager for Rebuild Colorado, a program of the Governor’s Office of Energy Management and Conservation.

Across Colorado, state governments, counties, towns and school districts are facing smaller budgets, rising operating costs and demands for improved facilities. A budget squeeze is forcing many to find new ways to reduce operating costs and upgrade aging, inefficient equipment. Because **performance contracts** are self-financing, they provide **off-budget improvements**, paid for through energy and water-saving improvements.

Most projects will include **water as well as energy efficiency improvements** in the upgrade plans. Most are likely to use the full 12 years permitted under state law for performance contracting. About a dozen energy service contractors compete for performance contracts in Colorado, giving the state and local governments a healthy competitive marketplace.

Ten new performance contracts are in the works in Colorado, and most have passed the stage of selecting energy service companies and are either going through the energy audit stage or negotiating contract details. Smith says that the total scope won’t be known until the audits are completed, but estimates that these ten projects will be worth **about \$18 million.**

The new projects include **state agencies, university campuses and school districts:**

- State Capitol Complex Facilities in Denver;
- State Department of Human Services;
- Colorado State University at Fort Collins;
- University of Colorado at Boulder Department of Housing;
- University of Colorado at Colorado Springs;
- University of Colorado at Denver;
- University of Northern Colorado at Greeley;
- Academy 20 School District;
- Fort Morgan School District;
- Lewis-Palmer School District

The highest-profile project, roughly estimated at \$1.5 million, may be the upgrade for the **state capitol building** and the complex of state office buildings surrounding it in Denver.

The ten new projects follow on the heels of **26 other Rebuild Colorado projects** where performance contracts are already delivering energy savings after an energy investment of \$26 million in state and local government facilities — the buildings of school districts large and small, rural counties, state colleges and other government operations.

Rebuild Colorado, a program of the Governor's Office of Energy Management & Conservation, provides free expertise and services to help schools, state and local governments.

Call today to find out if performance contracting can help you get better buildings:

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